



MISSION

It is our mission to deliver quality healthcare to the residents of and visitors to Big Bear Valley through the most effective use of available resources.

VISION

To be the premier provider of emergency medical and healthcare services in our Big Bear Valley.

BOARD OF DIRECTORS

FINANCE COMMITTEE MEETING AGENDA

TUESDAY, JULY 03, 2018

1:00 PM –CLOSED SESSION @ HOSPITAL ADMINISTRATION CONFERENCE ROOM

1:30 PM – OPEN SESSION @ HOSPITAL ADMINISTRATION CONFERENCE ROOM

41870 GARSTIN DRIVE, BIG BEAR LAKE, CA. 92315

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OPEN SESSION

1. **CALL TO ORDER** Donna Nicely, Treasurer
2. **ROLL CALL** Shelly Egerer, Exec. Assistant
3. **ADOPTION OF AGENDA***
4. **PUBLIC FORUM FOR CLOSED SESSION**
Opportunity for members of the public to address the Committee on Closed Session items.
(Government Code Section 54954.3, there will be a three (3) minute limit per speaker. Any report or data required at this time must be requested in writing, signed and turned in to Administration.
Please state your name and city of residence.)
5. **ADJOURN TO CLOSED SESSION***

CLOSED SESSION

1. **REAL PROPERTY NEGOTIATIONS: *Government Code Section 54956.8 / TRADE SECRETS: Pursuant to Health and Safety Code Section 32106, and Civil Code Section 3426.1**
(1) Potential Acquisition (Anticipated Disclosure 07/03/18)

OPEN SESSION

1. **CALL TO ORDER** Donna Nicely, Treasurer

2. RESULTS OF CLOSED SESSION*

Donna Nicely, Treasurer

3. PUBLIC FORUM FOR OPEN SESSION

Opportunity for members of the public to address the Committee on Open Session items.

(Government Code Section 54954.3, there will be a three (3) minute limit per speaker. Any report or data required at this time must be requested in writing, signed and turned in to Administration. Please state your name and city of residence.)

4. DIRECTORS COMMENTS

5. APPROVAL OF MINUTES*

A. June 01, 2018

B. June 05, 2018

6. OLD BUSINESS*

A. Discussion and Potential Recommendation to the Board of Directors for Quorum Health Resources to Complete the Productivity Benchmarking Assessment and Approve Travel Expenses Not To Exceed \$5,000.00

7. NEW BUSINESS*

A. Discussion and Potential Recommendation to the Board of Directors the Extension of the TruBridge Agreement to April 2019

B. Discussion of Out Patient Services

8. PRESENTATION AND REVIEW OF FINANCIAL STATEMENTS*

A. May 2018 Finances

B. CFO Report

C. QHR Financial Operations Review Report (FOR)

9. ADJOURNMENT*

*** Denotes Actions Items**

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
SPECIAL FINANCE COMMITTEE MEETING MINUTES
41870 Garstin Drive, Big Bear Lake, Ca. 92315
June 01, 2018**

MEMBERS Donna Nicely, Treasurer
PRESENT: Peter Boss, MD, Secretary
John Friel, CEO

Garth Hamblin, CFO
Shelly Egerer, Exec. Asst.

STAFF: Kerri Jex Mary Norman

COMMUNITY

MEMBERS: None

ABSENT: None

OPEN SESSION

1. CALL TO ORDER:

Board Member Nicely called the meeting to order at 12:00 p.m.

2. ROLL CALL:

Donna Nicely and Peter Boss, MD were present. Also present were John Friel, CEO, Garth Hamblin, CFO and Shelly Egerer, Executive Assistant.

3. ADOPTION OF AGENDA:

Board Member Nicely motioned to adopt the June 01, 2018 Finance Committee Agenda as presented. Second by Board Member Boss to adopt the June 01, 2018 Finance Committee Meeting Agenda as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

4. PUBLIC FORUM FOR OPEN SESSION:

Board Member Nicely opened the Hearing Section for Public Comment on Open Session items at 12:00 p.m. Hearing no request to address the Finance Committee, Board Member Nicely closed the Hearing Section at 12:00 p.m.

5. DIRECTOR'S COMMENTS:

- None

6. APPROVAL OF MINUTES:

- None

7. OLD BUSINESS:

- A. Discussion and Potential Recommendation to the Board of Directors the Fiscal Year 2018/2019 Operating Budget:
- Mr. Hamblin stated that he tried to provide answers to all questions the committee had at the previous meeting and reported the following information:

- Total margin remained the same
- Workers comp remains the same
- Employee wages includes PTO
- Other expenses include, minor equipment, taxes and license outside training, and travel
- Marketing is budgeted at \$100,000 under Administration
- Administration remodel was removed from the budget
- Surgery was removed
- Purchase of a home was raised to \$300,000
- Grant Writer has been added to purchased services
- Budgeted for Interim DON and a full time DON
- Major categories of purchased services details will be emailed to the committee
- \$7,000 donation for CNA program is being looked into, the donation will be set aside if not used

B. Discussion and Potential Recommendation to the Board of Directors the Fiscal Year 2018/2019 Capital Expenditure Budget:

- Mr. Hamblin reported the following information:
 - Budget reflects \$750,000 for property
 - Budget for furnishings if home is purchased is at \$75,000
 - Adjustment change is 6.5% on salary
 - FTE's transferred hours from Acute to SNF – this is the Restorative Program
 - Exploring cross training from clinic staff to ER
 - Decrease in CT .8 and ultrasound is an increase
 - Reduction in Radiology overall
 - PRIME Project breakdown has been included to show what the grant pays
 - Mom & Dad Project does receive approximately \$50,000 from the district
 - 19 hospital grade TV @ \$1,600 per unit and the budget includes installation
 - Foundation will be contributing \$15,000 for this unit
 - Dietary budget is \$18,000 for Point of Sale; this could decrease. To drop to \$10,000
 - Camera needs to be installed in the parking area and if we rent additional office space cameras will be installed in the additional location
 - The three year plan in the Capital Budget has been implemented
 - 2nd laser is still being requested; this is due to the patient care and is a high demand.
- Board Member Nicely stated that there is a large amount of cost to contract out maintenance work and would like to know what the maintenance staff does. The lobby upgrade and landscaping should be completed by maintenance staff. Board Member Nicely stated that she would like the landscaping budget removed and is not in favor of this expense and would like the CER's made available to the committee in the future.

Board Member Nicely motioned to table both items until the June 6, 2018 Finance Committee Meeting. Second by Board Member Boss to table both items until the June 6, 2018 Finance Committee Meeting. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

8. NEW BUSINESS*

- None

9. ADJOURNMENT*

Board Member Nicely motioned to adjourn at 12:50 p.m. Second by Board Member Boss to adjourn. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING MINUTES
41870 Garstin Drive, Big Bear Lake, Ca. 92315
June 05, 2018**

MEMBERS Donna Nicely, Treasurer
PRESENT: Peter Boss, MD, Secretary
John Friel, CEO

Garth Hamblin, CFO
Shelly Egerer, Exec. Asst.

STAFF: Kerri Jex Mary Norman

**COMMUNITY
MEMBERS:** None

ABSENT: None

OPEN SESSION

1. CALL TO ORDER:

Board Member Nicely called the meeting to order at 1:00 p.m.

2. ROLL CALL:

Donna Nicely and Peter Boss, MD were present. Also present were John Friel, CEO, Garth Hamblin, CFO and Shelly Egerer, Executive Assistant.

3. ADOPTION OF AGENDA:

Board Member Nicely motioned to adopt the June 05, 2018 Finance Committee Agenda as presented. Second by Board Member Boss to adopt the June 05, 2018 Finance Committee Agenda as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

CLOSED SESSION

1. PUBLIC FORUM FOR CLOSED SESSION:

Board Member Nicely opened the Hearing Section for Public Comment on Board Member Nicely items at 1:00 p.m. Hearing no request to address the Finance Committee, Board Member Nicely closed the Hearing Section at 1:00 p.m.

2. ADJOURN TO CLOSED SESSION:

Board Member Nicely motioned to adjourn to Closed Session at 1:00 p.m. Second by Board Member Boss to adjourn to Closed Session at 1:00 p.m. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

OPEN SESSION

1. CALL TO ORDER:

Board Member Nicely called the meeting to order at 1:30 p.m.

2. RESULTS OF CLOSED SESSION:

Board Member Nicely stated there was no reportable action.

3. PUBLIC FORUM FOR OPEN SESSION:

Board Member Nicely opened the Hearing Section for Public Comment on Open Session items at 1:30 p.m. Hearing no request to address the Finance Committee, Board Member Nicely closed the Hearing Section at 1:30 p.m.

4. DIRECTOR'S COMMENTS:

- None

5. APPROVAL OF MINUTES:

A. May 01, 2018

B. May 24, 2018

Board Member Nicely motioned to approve the May 01 and May 24, 2018 minutes as presented. Second by Board Member Boss to approve the May 01 and May 24, 2018 minutes as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely - yes
- Board Member Boss- yes

6. OLD BUSINESS:

A. Discussion and Potential Recommendation to the Board of Directors the Fiscal Year 2018/2019 Operating Budget:

- Mr. Hamblin reported the budget packet has been updated and has provided additional information as requested.
 - Purchased service has been broken out.
 - Reserved over \$200,000 for Stark Violation on agreements. Claim still not resolved.
 - Audit Cost Report is annual report.
 - Interim SNF cost \$22,000 per month. We are advertising on various sites to fill this position.
 - Laboratory budget needs to have some cost removed from purchased services. There was a large cost on contracted staff. Will reduce that item to be less than \$4 million.
 - To provide a list of items in this line item at the next Finance Meeting for informational purposes only.
 - HR Benefit Admin – what does this detail.
 - Quorum total does not add up.
 - Landscaping cost is helipad, area in front of CNO office.
 - Front lobby needs to be updated, remove wallpaper, paint and additional items to get the lobby cleaned up.

B. Discussion and Potential Recommendation to the Board of Directors the Fiscal Year 2018/2019 Capital Budget:

- Mr. Hamblin reported the following information:
 - Patient monitory equipment is \$300,000. Vendor offered a \$32,000 discount if we a get them a commitment by the end of June. There is a 90-day installation and training for the equipment. Could be used by September.

Board Member Nicely motioned to recommend to the Board of Directors the Fiscal year 2018/2019 Operating Budget and Capital Budget. Second by Board Member Boss to recommend to the Board of Directors the Fiscal year 2018/2019 Operating Budget and Capital Budget. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely - yes
- Board Member Boss- yes

7. NEW BUSINESS*

A. Discussion and Potential Recommendation to the Board of Directors of Jerrel Tucker, JWT & Associates Agreement to Complete the FYE June 30, 2018 Audit:

- Mr. Hamblin provided the agreement and recommends that we continued to work with Jerrell on the audit.
 - We pay travel expenses, approximately \$2,000 and cost for audit is \$25,000

Board Member Nicely motioned to recommend to the Board of Directors the Jerrell Tucker, JWT & Associates Agreement as presented. Second by Board Member Boss to recommend to the Board of Directors the Jerrell Tucker, JWT & Associates Agreement as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely - yes
- Board Member Boss- yes

B. Discussion and Potential Recommendation to the Board of Directors to Enter Into An Agreement with WIPFLI or Quorum Health Resources to Complete the Productivity Benchmarking Assessment:

- Mr. Hamblin recommends that QHR completes the assessment; the cost would be travel expenses only. Mr. Hamblin asked that this item be tabled due to the report not being provided to the committee.

Board Member Nicely motioned to table the WIPFLI or QHR Benchmarking Assessment until the July Finance Committee Meeting. Second by Board Member Nicely to table the WIPFLI or QHR Benchmarking Assessment until the July Finance Committee Meeting. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely - yes
- Board Member Boss- yes

8. Presentation and Review of Financial Statements:

A. April 2018 Finances:

- Mr. Hamblin reported the following:
 - Surplus of \$218,000.
 - Inpatient below budget.
 - SNF & ER are over budget.

- Cash is continuing to be strong.
- FTE's continue to run under budget.
- RHC volume is low.
- AR gross days are at 67.
- Board Member Nicely requested that clinic provider data (patients seen) be provided to the Finance Committee and wants to ensure that when the census is low all departments flex not just nursing staff.

B. CFO Report:

- Mr. Hamblin reported the following:
 - Healthcare Reform:
 - Assembly bill 3087 – did not pass out of appropriation.
 - Continues to be an issue but nothing more will happen this year.
 - Revenue Cycle Assessment Update:
 - Eva Pierce, HIM Manager is working on the Manager Action Plan to make changes.
 - Staff will meet to discuss changes and implementation.
 - Process improvement in registration accuracy.
 - Technology use – accessing websites for eligibility.
 - Will be completed in ER and clinic.

C. WIPFLI Benchmarking Information:

- Mr. Hamblin used 2016 OSHPD Reports for financial and productivity
 - This was information provided to the committee to show that there is a current benchmark report that has data available on various districts that are comparable to our district.

D. Revenue cycle Assessment Update:

- Mr. Hamblin reported the following information:
 - Report focuses on three items:
 - Patient access services need to be reviewed.
 - In source considerations.
 - AR Performance has been reviewed.

Board Member Nicely motioned to approve the April 2018 Finance Report and the CFO Report as presented and item C & D were informational only. Second by Board Member Boss to approve the April 2018 Finance Report and the CFO Report as presented and item C & D were informational only. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes

9. ADJOURNMENT*

Board Member Nicely motioned to adjourn at 2:10 p.m. Second by Board Member Boss to adjourn. President Robbins called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Boss- yes



MEMO

Date: 3 July 2018
To: BVCHD Finance Committee
From: Garth M Hamblin, CFO
Re: Productivity Benchmarking Assessment

Recommended Action

Recommend that the Board approve QHR to conduct Productivity Benchmarking Assessment. Cost will be only travel and out-of-Pocket costs for two consultants onsite for two to three days plus a single consultant to present the report in person upon completion. Total estimated travel and out of pocket cost for three trips not to exceed \$5,000. Costs for consultants is included in the management agreement with QHR.

Background

Attached are the proposals we received from QHR and WIPFLi to conduct the proposed productivity benchmarking assessment. The cost for QHR to conduct this assessment is only the travel and out-of-pocket expenses for consultants visits to big Bear Lake since such consultation is included in the management fee already paid to QHR.

The WIPFLi proposal is for \$20,000 plus reimbursement of travel and out-of-pocket expenses.



5/01/2018

Garth Hamblin
Bear Valley Community Healthcare District
Big Bear Lake, CA

Dear Garth –

Thank you for considering Quorum's Workforce Productivity program at Bear Valley Community Health District. As we discussed, this program can provide significant value to your organization as you continue improving organizational performance.

At your request, we are submitting the enclosed agreements for your consideration. We recognize you have many options to consider, including partnering with another firm or undertaking this initiative on your own. It is a privilege to submit our qualifications and methodologies for your consideration. We would be pleased to serve your organization at this important time in your history.

Should you have any questions, please contact me at 615-371-4597 or tarmstrong@qhr.com

Sincerely,

Tim Armstrong
Senior Consultant, Workforce Efficiency

cc: Michele Mayes, Senior Vice President, Consulting

Staffing Assessment and Implementation Engagement Letter

Our Understanding of Your Needs

Having a workforce that is the right size, type, and efficiency level looks very different today than it did even two (2) years ago. Although traditional practices still provide value, market leaders are applying new tactics to offset declines in margin, while also preparing their organizations for success in a 'pay for value' environment. We are working with clients across the country to further instill traditional practices and holistically fortify them with new practices, such as aligning management and organization responsibilities with new care delivery requirements and addressing barriers to efficiency through process improvement. In this Project, Quorum will use this approach, described in more detail below, to identify opportunities to improve operational efficiency across the organization. Key aspects of this program will be:

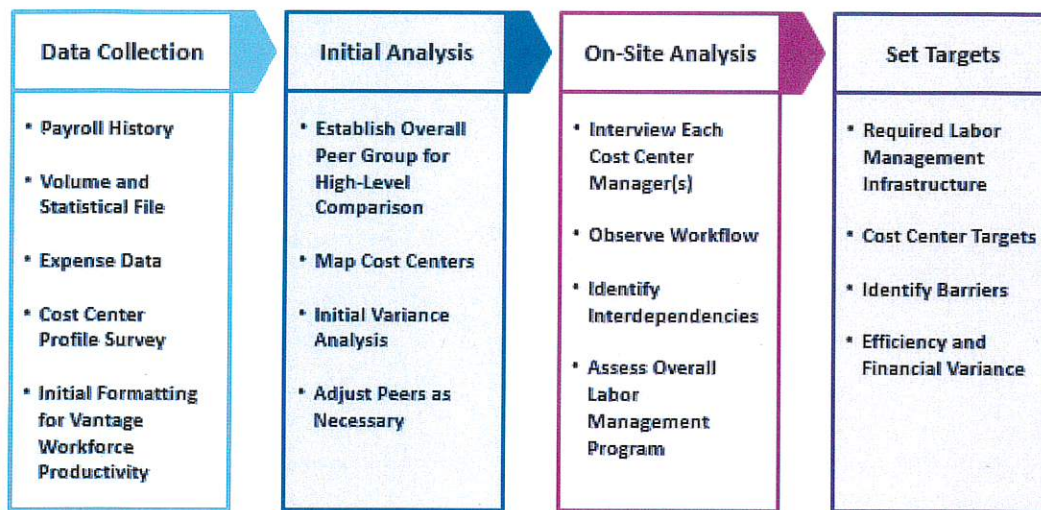
- Utilizing comparative benchmarks to gain a solid understanding of department opportunities;
- Setting realistic targets for staffing efficiency based on current operations;
- Providing education to managers on strategies for effective staffing management; and
- Utilizing a consistent set of tools to manage performance on an ongoing basis.

Our Approach

Quorum's workforce efficiency program enables leadership to establish appropriate labor productivity targets, monitor performance on a timely basis, and track improvements that can be sustained over time.

Staffing Assessment

The staffing assessment focuses on establishing labor productivity targets and identifying opportunities to improve labor cost utilizing the following methodology:



Quorum will deploy experienced healthcare professionals with departmental and content knowledge to assess staffing and productivity in key areas of the Hospital. The following is a brief outline of our typical project approach.

Data Request and Peer Group Benchmarking

Quorum consultants will request one (1) year's worth of relevant general ledger, payroll, contract labor, and volume/utilization data and will work with the Hospital's finance, accounting, and/or IT representatives to transfer data to Quorum for analysis. In addition, Quorum will request the necessary data to complete a productivity study and compensation comparison of the providers. This data includes work RVUs of providers, W2 information and current contract/compensation agreements.

Upon receipt of the data, Quorum analysts will create an initial performance gap analysis by comparing the Hospital's actual performance to that of an appropriate peer group, based on the hospital size, services, acuity, and region. Quorum utilizes a nationally recognized comparative database of over 400 hospitals submitting high-level and department-specific operational data.

On-Site Review of Hospital Departments and Clinics

After reviewing the data, Quorum consultants, including clinical and financial productivity specialists and subject matter experts (as needed), will attend on-site meetings with Hospital directors and/or managers. The purpose of these meetings is to help consultants understand the unique operational characteristics at the Hospital, in order to identify and recommend appropriate productivity targets for each Hospital department and clinic.

While on-site, the consultants will spend time observing the broader activities that impact workforce efficiency, including:

- Evaluating the overall labor management program against identified best practices;

- Examining the physical layout of the campus;
- Observing workflow and department processes; and
- Identifying interdependencies among departments that impact overall efficiencies.

Consultants will also spend time interviewing department managers. Topics will include:

- Department payroll and volume data;
- Department scope of operations;
- Current processes for scheduling and day-to-day management of staffing;
- Department skill mix;
- Space/equipment constraints that impact staffing;
- Management and staff allocations;
- Management effectiveness; and
- Premium pay ratios.

Staffing Recommendations

Upon completion of on-site meetings, Quorum consultants will use the quantitative and qualitative data gathered to compile an initial assessment of Hospital performance, including initial proposed department staffing standards and associated opportunities for improvement. The report will include identified barriers to achieving recommended targets, as well as high-level recommendations to increase efficiencies. This initial assessment will be reviewed with senior leadership to validate Quorum's assumptions and understanding of the current operations. Appropriate adjustments to the analysis will be made based on this feedback.

Quorum will provide the Hospital management team with both a verbal, on-site summary and a written report of findings and recommendations (the "Final Report"). The Final Report will include overall Hospital- and department-level FTE and dollar opportunity savings and recommendations for streamlining efficiencies in each department. In addition, Quorum will make recommendations on the clinic staffing.

Deliverables

Staffing Assessment

Quorum consultants will provide the Hospital a presentation and a Final Report that includes the following:

- Summary of targets and barriers to current workforce efficiency;
- High-level recommendations on processes and practices that can help improve overall and department-specific efficiency;
- Recommended departmental labor standards;
- Recommended improvements to agency, overtime, and other premium pay practices;
- Recommendations to better align provider productivity with compensation; and
- Expected financial impacts associated with productivity optimization and labor expense improvements.

Implementation Activities

At the conclusion of the Staffing Assessment, Hospital leadership and Quorum will identify the actions steps needed to achieve and sustain the labor productivity targets. Typically, some hospital cost centers are performing at or near the productivity target, while others require significant improvements in order to achieve target performance. In the latter cases, it is important to set a 'glide path' tied to a formal cost center improvement plan, with accountability to implement the plan and achieve the glide path targets until the actual productivity target is achieved.

Quorum will work with Hospital leadership to design a customized, rapid-cycle training and improvement plan. The implementation focus will be determined based on opportunities identified in the staffing assessment, and the overall financial and strategic goals of the organization. Training and implementation includes:

- Leadership training on managing productivity, including strategies and tactics for closing the gap between current and targeted performance;
- Development of customized electronic nursing staffing grids or tools for each in-scope inpatient nursing unit tied to the updated productivity targets;
- Development of staffing and scheduling plans to assist department leaders in achieving productivity targets; and

- As needed training for senior leadership, directors, and managers, focusing on tools and processes to improve and manage staff productivity.

Quorum's team of experienced consultants will assist in leading implementation efforts to address the opportunities identified.

Your Quorum Team

Quorum's team for this Project will consist of senior-level clinical and financial productivity experts who will draw from the experience of overall Quorum resources and subject matter experts as needed.

Michele Mayes, Senior Vice President, will serve as the Project lead, responsible for project planning, confirming that stated objectives are achieved, and that the Hospital is satisfied with the overall Project experience and deliverables.

Mark Henning, Director and Tim Armstrong, Senior Consultant, will serve as the consultants responsible for assisting the Hospital with the engagement day to day.

Consultant Travel Expenses

Quorum will initiate invoices for business travel and other expenses related to the Project ("Consultant Travel Expenses"). These typically include expenses such as transportation, lodging, meals, document preparation, shipping, etc.

May 21, 2018

Mr. Garth Hamblin
Chief Financial Officer
Bear Valley Community Hospital
41870 Garstin Drive
Big Bear Lake, CA 92315

RE: CONSULTING SERVICES TO PROVIDE LABOR PRODUCTIVITY ASSESSMENT & TRAINING

Dear Mr. Hamblin:

This Engagement Letter sets forth the terms and conditions under which WIPFLI LLP/HFS Consultants (Wipfli) will perform a labor productivity benchmarking and target setting along with a manager training program for Bear Valley Community Hospital (BVCH).

Per our conversations, Wipfli understands BVCH is interested in assistance with labor productivity benchmarking and setting appropriate productivity targets for each of its departments. In addition, BVCH desires that Wipfli provide training for BVCH managers on labor productivity management as workloads fluctuate.

OVERALL PROJECT OBJECTIVES AND SCOPE

We will perform a combination of a comparative benchmarking analysis along with onsite interviews of key BVCH executives, managers, staff and physicians, as appropriate, to develop reasonable and achievable labor productivity targets for each major department. We will also provide appropriate training to managers to enhance their abilities to meet those targets. As such, Wipfli will conduct the following activities:

- Determine an appropriate comparator group to compare BVCH labor productivity performance
- Evaluate and “clean” BVCH data for productive hours and units of service to ensure “apples to apples” comparison with the comparator group
- Identify and incorporate BVCH contractor/agency/traveler data to ensure “apples to apples” comparison
- Conduct labor productivity benchmarking analysis with identification of benchmark thresholds for Top, 2nd, 3rd and Bottom Quartile performance by each major department

- Identify for each BVCH department, which benchmark quartile they fall into
- Conduct onsite interviews with key hospital executives, managers/directors, staff as needed and physicians as needed to identify critical operational, facility, systems and data challenges impacting labor productivity performance
- Calculate potential opportunity in dollar savings and FTE savings if each BVCH department can meet Top or 2nd Quartile performance
- Develop summary PowerPoint document with benchmarking assessment findings including full table of benchmarks and opportunity summaries by department.
- Utilize assessment findings to help BVCH leadership team set realistic labor productivity targets for each major department
- Present findings and results to BVCH leadership team
- Conduct onsite training sessions with department managers on labor productivity management concepts, tools and processes

TIMELINE

Wipfli is prepared to schedule this engagement immediately upon receipt of a signed version of this engagement letter. We believe that benchmarking and target setting part of this engagement could be completed within 5-6 weeks after we receive the data requested from BVCH. However, meeting this schedule is contingent upon timely receipt of data and a dedicated BVCH resource that we can work with to collect the data and answer questions regarding the data. The timeframe for the manager training program will depend on the level of training needed for each manager.

PROJECT FEES AND EXPENSES

Wipfli's professional fees for the benchmarking and target setting portion of the project will be \$20,000. ***Because it's difficult to determine how much time and effort will be required for the manager training sessions, we will bill hourly for that part of the engagement based on standard Wipfli hourly rates.*** In addition, BVCH shall reimburse Wipfli for direct expenses incurred with the performance of these services. Direct expenses include reasonable and customary out-of-pocket expenses such as incidental administration, travel, meals, accommodations and other expenses specifically related to this engagement.

Wipfli shall bill BVCH for 50% of the professional fees, for the benchmarking and target setting portion of the work, at the beginning of this engagement. The remaining 50% of professional fees, plus any expenses incurred, will be billed after the conclusion of the work. The fees for the training portion of the program will be billed as occurred based on standard hourly rates. Payment is due upon receipt of the invoice. The attached Professional Services Terms and Conditions are included herein by reference.

If there are additional services requested by BVCH that falls outside the scope of this letter, those services will be billed at Wipfli's standard hourly rates.

HIRING OF WIPFLI PERSONNEL

If any personnel provided by Wipfli is solicited by BVCH and becomes an employee of, or an independent contractor to, BVCH or any affiliated entity from the date of this letter until one year after the termination of the engagement, BVCH will pay Wipfli a referral fee of \$35,000 or 40% of the first-year annual gross compensation or professional fees BVCH pays, whichever is greater.

HIPAA

Wipfli shall abide by all laws, regulations and directives of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) as it pertains to services performed by Wipfli and information received by Wipfli from BVCH pursuant to this agreement. Since Wipfli may, in the course of performing services under this agreement, receive protected health information from BVCH, Wipfli will be deemed a Business Associate of BVCH. Wipfli LLP will sign and execute a Business Associate agreement with BVCH and will conform thereto.

EARLY TERMINATION

Should BVCH terminate this agreement before total fixed professional fees of the option selected are billed, Wipfli shall be entitled to a professional fee computed at the actual hours expended by associates through the termination date times the standard hourly rates for each associate plus out-of-pocket expenses incurred through that date.

To indicate your acceptance of this Engagement Letter please sign and date this letter and return to us. If you have any questions regarding the material in this letter, or if I can be of further assistance, please contact me at (510) 768-0066 or dkim@wipfli.com.

Very truly yours,
WIPFLI LLP/HFS Consultants



David Kim
Partner

AGREED & ACCEPTED: **Bear Valley Community Hospital**

Signature: _____ Date: _____
By: Mr. Garth Hamblin, Chief Financial Officer

WIPFLI LLP
Professional Services Terms and Conditions
Applicable to Non-Attest and Non-Tax Engagements

1. Entire Agreement

These Terms and Conditions, together with the engagement letter ("Engagement Letter") to which these Terms and Conditions are attached, the Engagement Letter's other appendixes, and applicable Change Orders, if any, constitute the entire agreement between the parties on the subject matter thereof and supersede and merge all prior proposals (including prior proposals of Wipfli regarding the engagement), understandings, and agreements (oral or written) between the parties relating to the subject matter including, without limitation, the terms of any request for proposal issued to Client or the standard printed terms on any purchase order issued by Client. No modification, amendment, supplement to, or waiver of these Terms and Conditions or the Engagement Letter shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of the Engagement Letter, its Appendixes (including these Terms and Conditions), Implementation Plan, Change Orders, and any other exhibit, attachment, schedule, or other document referenced in or by the Engagement Letter shall be read together and harmonized to give effect to the parties' intent. In the event of a direct conflict among the express provisions of the foregoing, the Engagement Letter shall be given controlling effect. These terms and conditions do not apply to any attest services that may be performed by Wipfli for Client, such services being governed exclusively by the Engagement Letters issued with respect thereto.

2. Commencement and Term

An Engagement Letter or Change Order shall become effective when signed by duly authorized representatives of both parties and shall remain in full force and effect until the services to be delivered under the Engagement Letter are complete (as reasonably determined by Wipfli) unless earlier terminated by either party as provided in the Engagement Letter or these Terms and Conditions. Each person executing an Engagement Letter or Change Order on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing same.

3. Fee Estimates and Change Orders

Wipfli's Engagement Letter may set forth certain ranges for Wipfli's fees charged on any project or work. Wipfli provides fee estimates as an accommodation to Client. Unless otherwise indicated in the Engagement Letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli's actual fees may vary from its fee estimates.

A "Change Order" means a mutually agreed-upon change in the schedule or the time for Wipfli's performance of the work on a project, the scope of specifications of a project, and/or the fees chargeable by Wipfli to Client, which is reduced to writing using an agreed-upon form that is executed by an authorized representative of each for Wipfli and Client.

If, during the course of Wipfli's engagement, Wipfli determines that more work will be required than initially estimated, Wipfli will discuss, as soon as possible, the reasons with Client. Work that falls outside the agreed-upon scope of Wipfli's engagement shall be covered by a Change Order. Service completion times are estimated and subject to change. Where applicable, all such estimates assume that Client's hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Such estimates also include necessary and reasonable cooperation from client personnel.

Unless otherwise agreed in the Engagement Letter, miscellaneous expenses incurred by Wipfli in the course of performing the service will be charged in addition to Wipfli's professional fees. Miscellaneous expenses may include, but are not limited to: travel, lodging, transportation, and meals for projects requiring travel; clerical processing; telecommunications charges; delivery expenses; and all sales, use, ad valorem, excise, or other taxes or other governmental charges.

Fees

Unless otherwise agreed, all invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on Client's balance due to Wipfli that is outstanding over thirty (30) days. At our discretion, work may be suspended if Client's account becomes overdue and will not be resumed until Client's account is paid in full. Client acknowledges and agrees that we are not required to continue work in the event of a failure to pay on a timely basis for services rendered as required. Client further acknowledges and agrees that in the event Wipfli stops work or withdraws from this engagement as a result of Client's failure to pay on a timely basis for services rendered as required by this Engagement Letter, Wipfli will not be liable to Client for any damages that occur as a result of our ceasing to render services.

In the event Client requests us to, or we are required to, respond to a subpoena, court order, government regulatory inquiries, or other legal process against Client or its management for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements, Client agrees to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs that we incur.

4. Tax Responsibilities

Client shall pay and be solely and exclusively liable for all sales, use, ad valorem, excise, or other taxes or governmental charges imposed on the installation, implementation, licensure, or sale of goods or services by Wipfli or third parties to Client related to the Engagement Letter.

May 21, 2018

5. Termination of Agreement

An Engagement Letter may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding; (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements set forth in an Engagement Letter or Change Order (except when such default is due to a cause beyond the control of the party) and such default is not cured within thirty (30) days after notice from either party specifying the nature of such default; and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days written notice. Termination of an Engagement Letter shall have no effect on either party's obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination.

6. Ongoing Support and Advice

Wipfli ongoing support and advice, whether or not it is defined by an Engagement Letter or Change Order, shall be subject to Wipfli's Terms and Conditions and will be provided under the same terms and conditions that would apply to services defined in Wipfli's Engagement Letters or Change Orders.

7. Third-Party Products and Subcontractors

When Wipfli is requested by Client through an Engagement Letter or Change Order to provide assistance with third-party products, Wipfli will use commercially reasonable efforts (as defined by Wipfli) to research, learn, and assist Client in the use of third-party products. However, Wipfli shall not be held liable for software or other products or services that have been written, produced, or provided by third parties. Client accepts all responsibility for, and risk-of-loss associated with, Client's use of third-party software, hardware, and products. Client accepts full responsibility for all communications with, and indemnifies and holds Wipfli harmless from, claims by third-party software developers, vendors, contractors, and/or subcontractors who have not been directly commissioned, engaged, retained, or hired by Wipfli. Wipfli hereby expressly disclaims all liability to Client or to any third parties that might be affected by the services performed or equipment installed by a third party who has not been directly commissioned, engaged, retained, or hired by Wipfli.

8. Independent Contractor

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties.

9. Nonexclusivity

No right of exclusivity is granted, guaranteed, or implied by Wipfli and Client entering into any Engagement Letter or Change Order. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

10. Wipfli Employees and Owners

Wipfli expressly reserves the right to replace, in its sole discretion upon notice to Client, any of our professional project team members, as necessary, to provide quality and timely service to Client. From time to time, and depending upon circumstances, personnel from affiliates of Wipfli and other Wipfli-related entities or any of their respective affiliates or from independent third-party service providers (including independent contractors) may participate in providing services related to our engagement hereunder. Some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services related to this engagement.

11. Limitation of Liability

Except for liability for personal injury damages caused by Wipfli's gross negligence or willful misconduct, and regardless of whether any remedy as set forth in these Terms and Conditions fails in its essential purpose, in no event shall Wipfli's cumulative liability to Client (or its successors, assigns, or affiliates) from all causes of any kind including liability based on contract, in tort, or otherwise arising from, out of, or related to the services or transactions contemplated in the Wipfli Engagement Letter or Change Order exceed the amount actually paid to Wipfli by Client under such Engagement Letter or Change Order.

12. Dispute Resolution

If any dispute arises among the parties regarding the subject matter hereof and such dispute cannot be resolved through informal negotiations and discussion, the parties agree to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to arbitration or litigation. Costs of any mediation proceeding shall be shared equally by all parties.

13. Governing Law

All agreements between Wipfli and Client for any service shall be governed by and construed in accordance with the internal laws of the state in which the Wipfli office which issues the Engagement Letter related to the services is located.

14. Severability

The provisions of these Terms and Conditions shall be severable, so that the invalidity or unenforceability of any provisions will not affect the validity or enforceability of the remaining provisions; provided that no such severability shall be effective if it materially changes the economic benefit of these Terms and Conditions to either party.

15. Record Retention

We will retain records related to this engagement pursuant to our record retention policy. At the end of the relevant time period, we will destroy our records related to this engagement. However, original records will be returned to Client upon the completion of the engagement. When records are returned, it is Client's responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

16. Assignment

The Engagement Letter to which these Terms and Conditions are attached shall be binding on the parties hereto and their respective successors and assigns. Neither party may assign this Engagement Letter without prior written consent of the other, except that Wipfli may assign its rights and obligations under this Engagement Letter without approval of Client to an entity that acquires all or substantially all of the assets of Wipfli or to any subsidiary or affiliate or successor in a merger, acquisition, or change of control of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations under this Engagement Letter.

17. Intellectual Property Rights

Client acknowledges that Wipfil owns all Intellectual property rights, title, and interest in all information provided or developed throughout the duration of this engagement. Any use of this material, other than for the stated purposes in this Engagement Letter, is not authorized. In addition, Client shall not alter or remove any of Wipfil's trademarks, copyright registration marks, patent, or other Intellectual property notices applicable to any of Wipfil's goods, marketing material, or advertising media and shall not in any way alter any of Wipfil's products. Client shall promptly notify Wipfil in writing of any infringement of Wipfil's Intellectual property by third parties of which Client becomes aware. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process, and other information shall be solely and exclusively the property of the originating party.

18. Mutual Confidentiality

During the course of performing services, the parties may have access to information that is confidential to one another, including, without limitation, source code, documentation, specifications, databases, system design, file layouts, tool combinations, development methods, or business or financial affairs, which may incorporate business methods, marketing strategies, pricing, competitor information, product development strategies and methods, customer lists, customer information, and financial results (collectively "Confidential Information"). Confidential information may include information received from third parties, both written and oral, that each party is obligated to treat as confidential.

Confidential Information shall not include any information that (i) is already known by the recipient party or its affiliates, free of any obligation to keep it confidential, (ii) is or becomes publicly known through no wrongful act of the receiving party or its affiliates, (iii) is received by the receiving party from a third party without any restriction on confidentiality, (iv) is independently developed by the receiving party or its affiliates, (v) is disclosed to third parties by the disclosing party without any obligation of confidentiality, or (vi) is approved for release by prior written authorization of the disclosing party.

Without the advance written consent of the other party, neither party shall disclose to a third party Confidential Information of the other party. Each party agrees to maintain at least the same procedures regarding Confidential Information that it maintains with respect to its own Confidential Information. Each party may use the Confidential Information received from the other party only in connection with fulfilling its obligations under this Agreement. The parties further agree that expiration or termination of this Agreement, for any reason, shall not relieve either party, nor minimize their obligations with respect to Confidential Information, as set forth herein.



MEMO

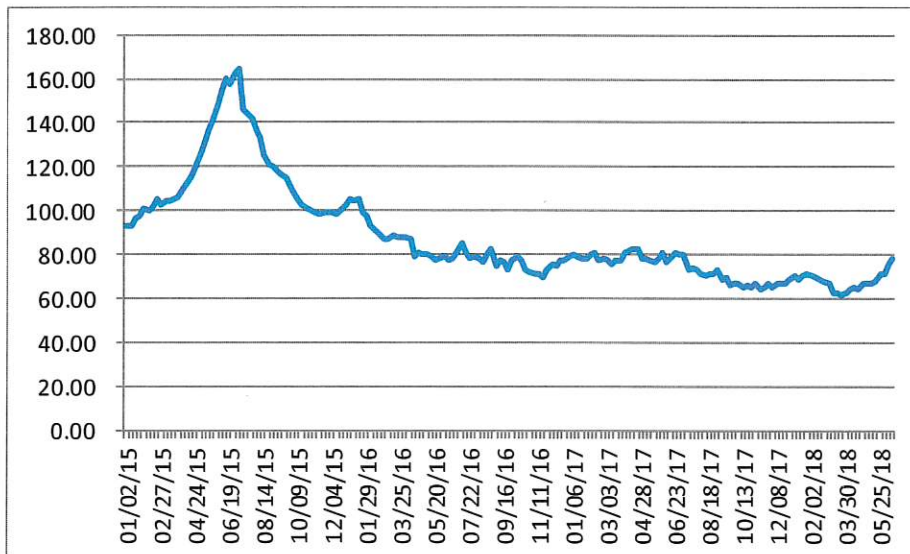
Date: 3 July 2018
To: BVCHD Finance Committee
From: Garth M Hamblin, CFO
Re: TruBridge contract extension through April 30, 2019

Recommended Action

Recommend that the board approve extension of our existing contract with TruBridge for Accounts Receivable Management through April 30, 2019.

Background

We have worked hard over the last several years to reduce Accounts Receivable days (see graph below) from a high of nearly 165 to our target of under 65. While we have made significant improvement, we have not been able to consistently get to 65 or below.



We have Eva, Health Information Manager department Director, working on front end processes with PAS (Patient Access Services) / Registration staff on items identified in the Revenue Cycle Review conducted by QHR staff in the early spring. In April of this year we went live with Rycan the Electronic Claims Management software that is available to us through CPSI. We continue to learn about and fine-tune that system to track status of claims, errors, and rejections.

Extension of the contract would allow further time for improvement of processes to see if we can consistently have Accounts Receivable days that under 65.

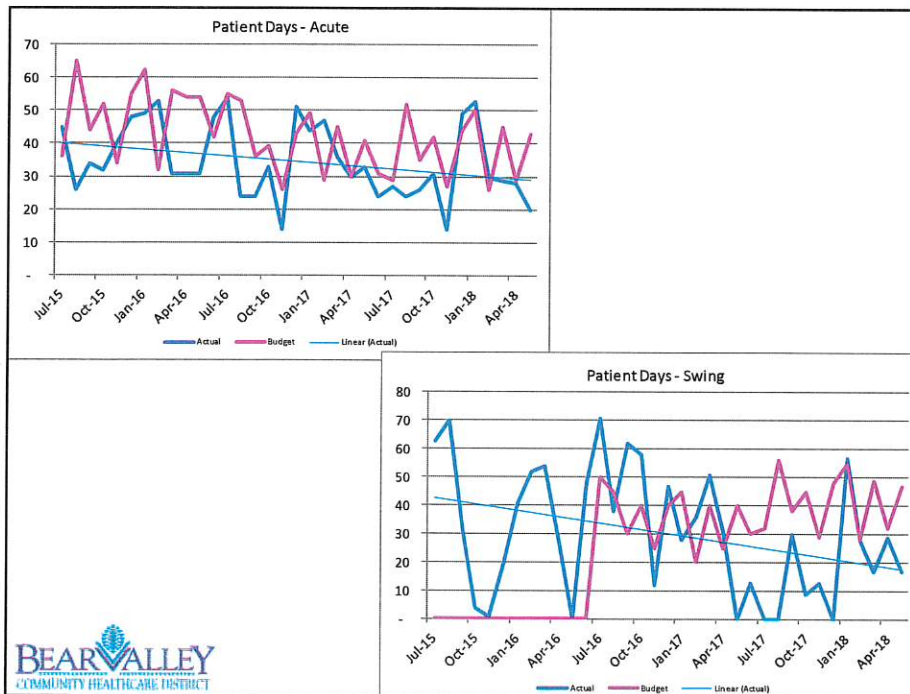
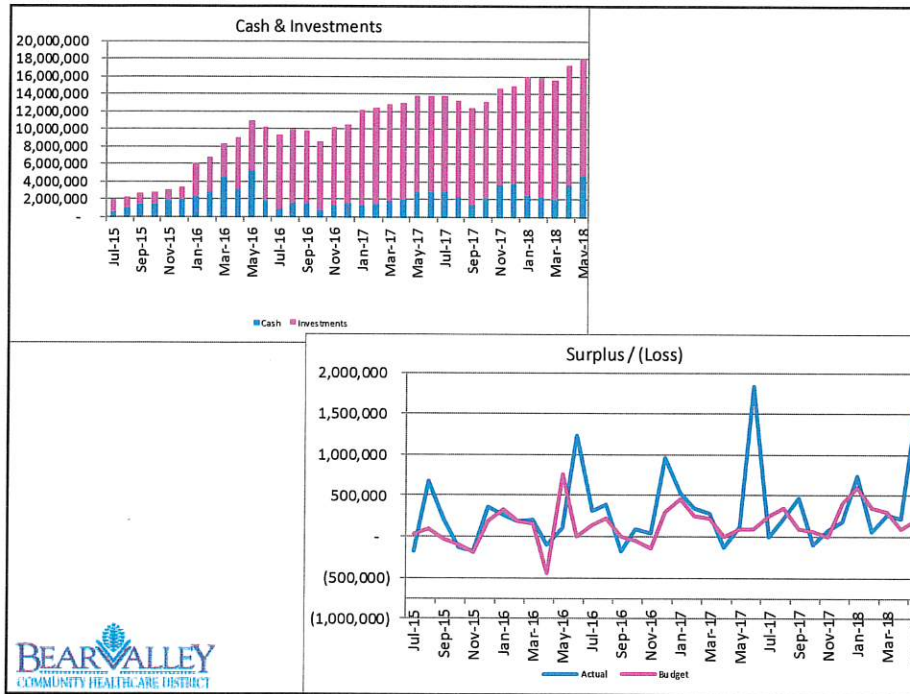


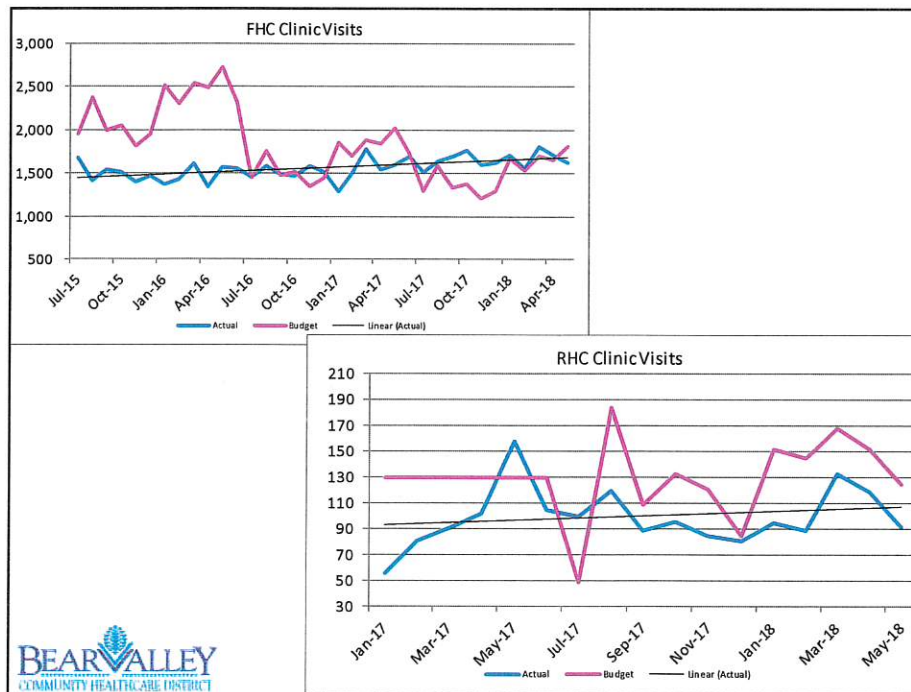
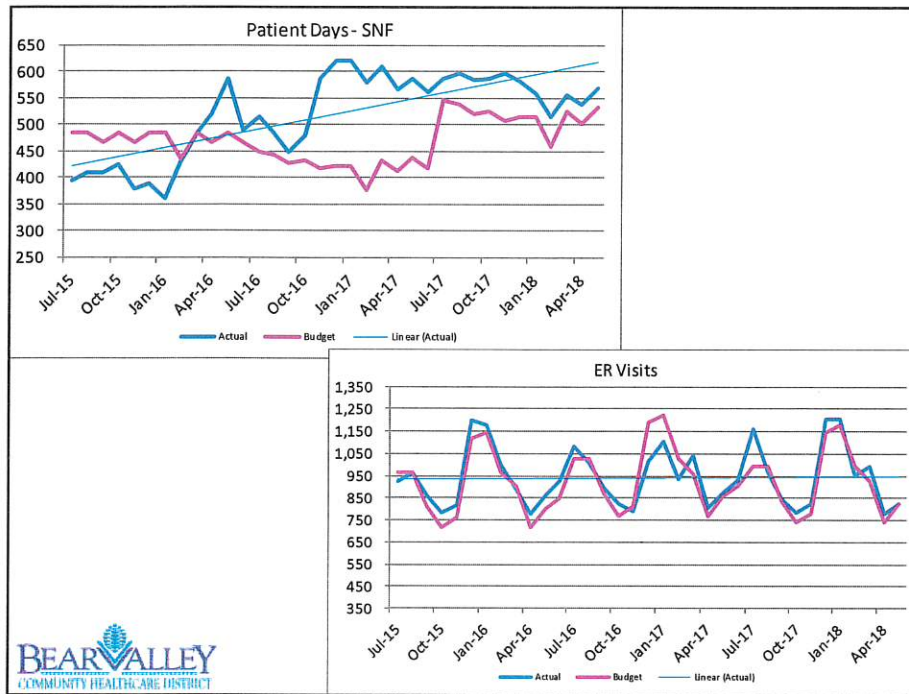
Finance Report
May 2018 Results

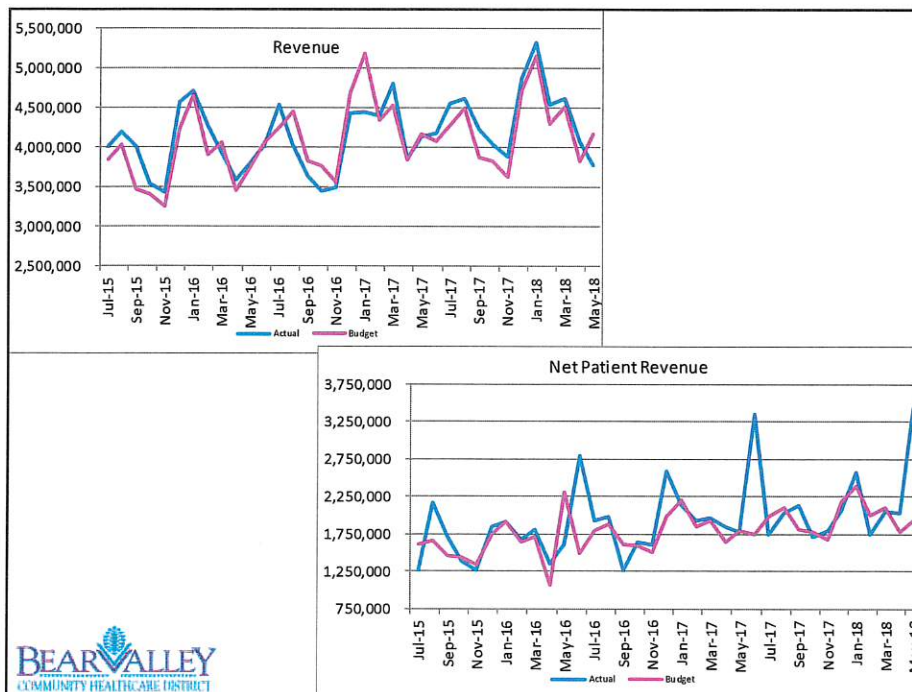
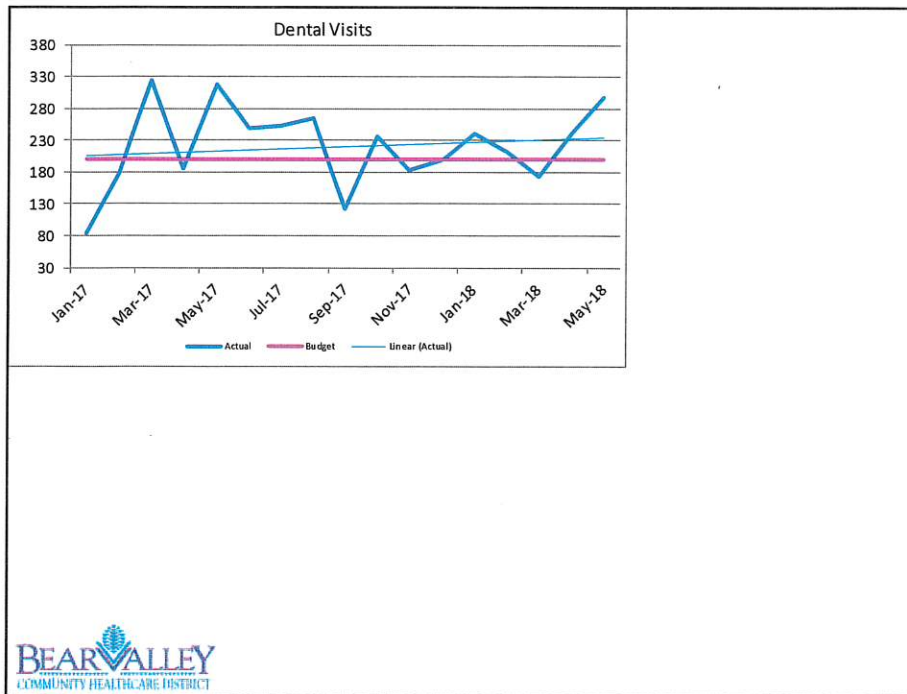
Summary for May 2018

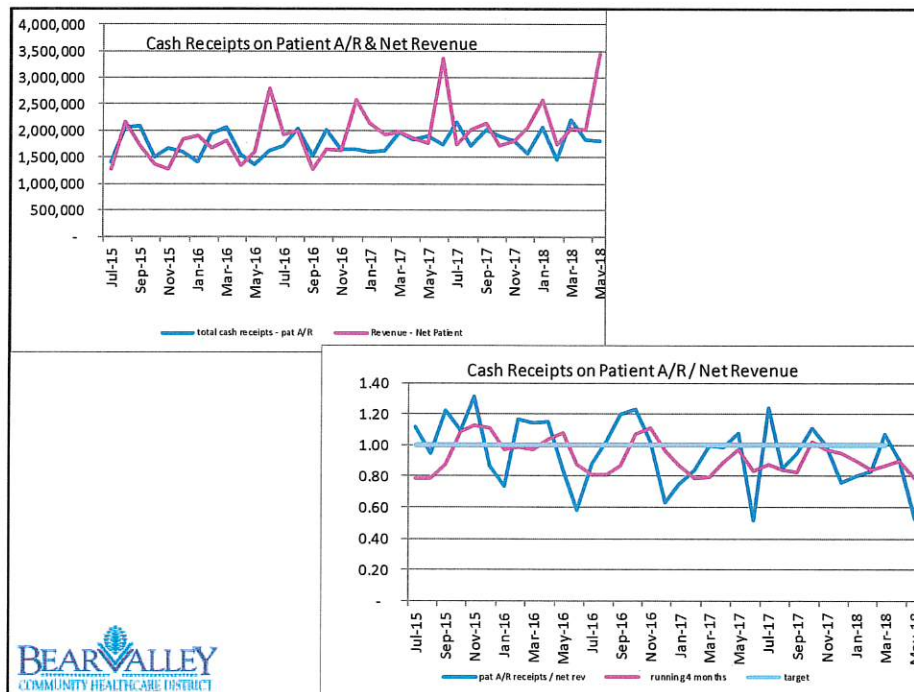
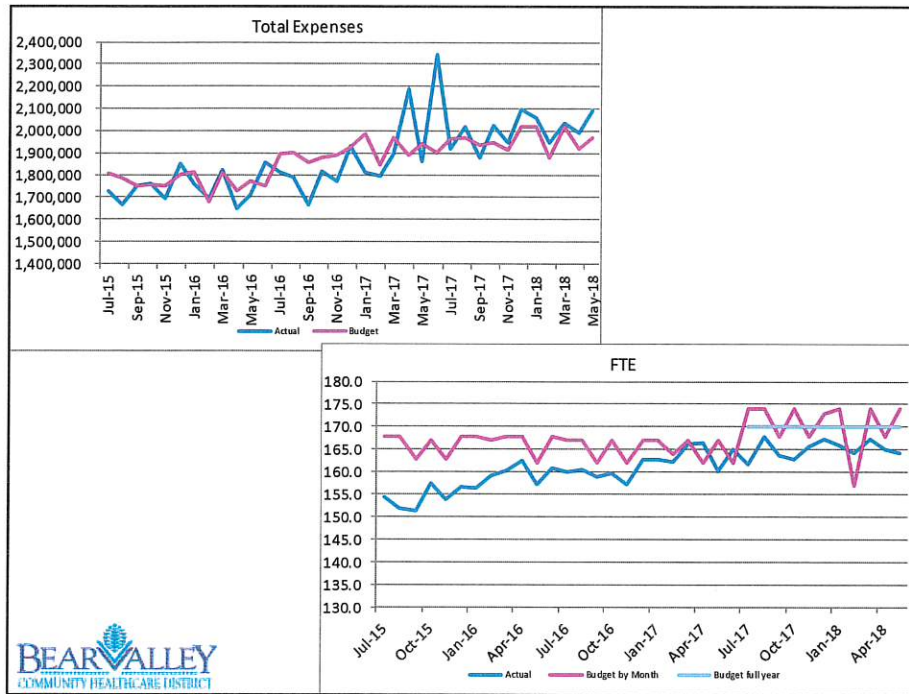
- Cash on Hand - \$4,630,363
- Investments - \$13,497,614
- Days Cash on hand, including investments with LAIF – 286
- Surplus of \$1,567,604, for the month compared to budgeted surplus of \$199,687 (we received some prior year Medi-Cal adjustments)
- Total Patient Revenue under Budget by 9.1% for the month
- Net Patient Revenue was 77.7% over budget.
- Total Expenses 6.1% more than budget

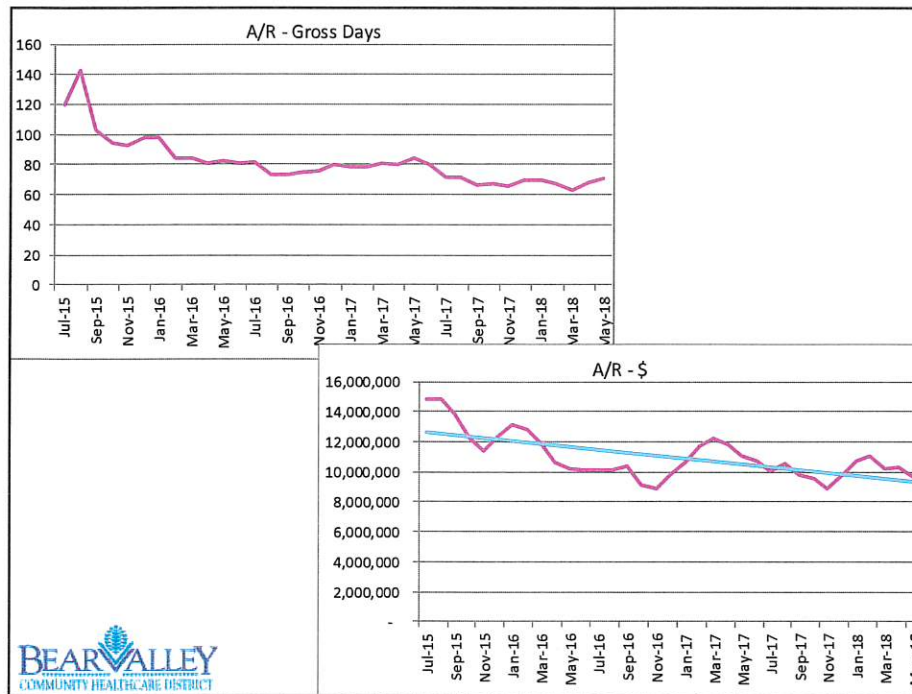














May 2018 Financial Results

For the month . . .

Total Patient Revenue of \$3,782,145 for May was 9.1% under budget. Clinic and SNF revenue for both over budget (clinic revenue by 39%). Inpatient, Outpatient, and Emergency Department were all under budget.

Deductions from Revenue of \$344,925 were 84.5% lower than budgeted. In May we recorded significant reductions in contractual allowances for prior years as a result of retroactive payments for Medi-Cal - for FY 2014, FY 2015, and FY 2016.

As a result, total operating revenue was \$1,486,668 over budget.

Total Expenses of \$2,091,802 were 6.1% higher than budget. Much of this variance shows up in Purchased Services - higher volume in the Dental Clinic resulted in higher payments to the Center for Oral Health, we continue to incur expenses for a contract Interim Director of Nursing for SNF.

Our Surplus for the month of May 2018 was \$1,567,604, this was \$1,367,917 over budget. It brings our surplus year to date to nearly \$1 million over budget.

Our Operating Cash and Investments total \$18,127,977 as of the end of May. Total days cash on hand as of the end of May 2018 are 286.

Key Statistics

Acute patient days of 20 for the month were 47% of the budgeted amount. Swing Patient days of 17 were only 36% of the budgeted number. Patient days on SNF days totaled 571 which was 7% over budget. Emergency Room visits of 824 or within one of budget.

Through the first ten months of our Fiscal Year . . .

Patient revenue is 3.9% over budget, total revenue deductions are now 0.9% more than budget. Net Patient Revenue is 7.2% more than budget. Total expenses are 2.1% higher than budget, and our surplus of \$3,735,885 is \$978,270 higher than budget.

Acute and Swing patient days continue significantly lower than budgeted. SNF days are 10% over budget. ER Visits are 4.1% over budget. FTE continue to be under budget.

Bear Valley Community Healthcare District
Financial Statements May 31, 2018

Financial Highlights—Hospital
STATEMENT OF OPERATIONS

		A	B		C	D	E	F	G		H	I	J
		Current Month					Year-to-Date						
		FY 16/17	FY 17/18		VARIANCE		FY 16/17	FY 17/18		VARIANCE			
		Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%		
1	Total patient revenue	4,136,519	3,782,142	4,162,373	(380,231)	-9.1%	45,260,154	48,572,586	46,763,603	1,808,983	3.9%		
2	Total revenue deductions	2,367,036	344,925	2,228,396	(1,883,471)	-84.5%	24,593,509	25,271,184	25,035,685	235,499	0.9%		
3	% Deductions	57%	9%	54%			54%	52%	54%				
4	Net Patient Revenue	1,769,483	3,437,217	1,933,977	1,503,240	77.7%	20,666,645	23,301,402	21,727,918	1,573,484	7.2%		
5	% Net to Gross	43%	91%	46%			46%	48%	46%				
6	Other Revenue	27,638	35,409	51,981	(16,572)	-31.9%	299,070	338,293	569,406	(231,113)	-40.6%		
7	Total Operating Revenue	1,797,121	3,472,626	1,985,958	1,486,668	74.9%	20,965,715	23,639,694	22,297,324	1,342,370	6.0%		
8	Total Expenses	1,855,765	2,091,802	1,972,018	119,784	6.1%	20,277,366	22,041,209	21,582,926	458,283	2.1%		
9	% Expenses	45%	55%	47%			45%	46%	45%				
10	Surplus (Loss) from Operations	(58,644)	1,380,824	13,940	1,366,884	-9805.5%	688,349	1,598,485	714,398	884,087	-123.8%		
11	% Operating margin	-1%	37%	0%			2%	3%	2%				
12	Total Non-operating	187,770	186,780	185,747	1,033	0.6%	2,146,940	2,137,400	2,043,217	94,183	4.6%		
13	Surplus/(Loss)	129,126	1,567,604	199,687	1,367,917	-685.0%	2,835,289	3,735,885	2,757,615	978,270	-35.5%		
14	% Total margin	3%	41%	5%			6%	8%	6%				

BALANCE SHEET

	May		May		April		VARIANCE	
	FY 16/17		FY 17/18		FY 17/18		Amount	
								%
15 Gross Accounts Receivables	11,783,203		9,608,828		10,279,582	(670,754)	-6.5%	
16 Net Accounts Receivables	4,251,725		3,641,472		3,940,291	(298,819)	-7.6%	
17 % Net AR to Gross AR	36%		38%		38%			
18 Days Gross AR	85		70.8		69	2	2.6%	
19 Cash Collections	1,908,431		1,713,631		1,836,886	(123,055)	-6.7%	
20 Investments	10,852,271		13,497,614		13,497,614	-	0.0%	
21 Cash on hand	2,946,791		4,630,363		3,771,817	858,546	22.8%	
22 Total Cash & Invest	13,799,062		18,127,977		17,269,431	858,546	5.0%	
23 Days Cash & Invest	233		286		273	13	4.7%	
24 Total Cash and Investments	13,799,062		18,127,977					
Increase Current Year vs. Prior Year			4,328,915					

Bear Valley Community Healthcare District
Financial Statements May 31, 2018

Statement of Operations

	A	B	C	D	E	F	G	H	I	J
	Current Month					Year-to-Date				
	FY 15/16	FY 16/17		VARIANCE		FY 15/16	FY 16/17		VARIANCE	
	Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
Gross Patient Revenue										
1 Inpatient	151,089	147,294	263,990	(116,696)	-44.2%	2,512,611	1,794,263	2,671,874	(877,611)	-32.8%
2 Outpatient	1,059,063	856,463	942,055	(85,592)	-9.1%	9,783,050	10,876,078	10,050,456	825,622	8.2%
3 Clinic Revenue	367,771	379,607	273,189	106,418	39.0%	2,484,043	3,968,512	2,561,813	1,406,699	54.9%
4 Emergency Room	2,285,069	2,142,156	2,433,308	(291,152)	-12.0%	27,744,628	29,132,065	28,776,826	355,239	1.2%
5 Skilled Nursing Facility	263,527	256,622	249,831	6,791	2.7%	2,735,822	2,801,668	2,702,634	99,034	3.7%
6 Total patient revenue	4,136,519	3,782,142	4,162,373	(380,231)	-9.1%	45,260,154	48,572,586	46,763,603	1,808,983	3.9%
Revenue Deductions										
7 Contractual Allow	2,040,122	1,715,880	2,039,831	(323,951)	-15.9%	20,573,139	23,605,048	22,917,189	687,859	3.0%
8 Contractual Allow PY	70	(1,789,912)	-	(1,789,912)	#DIV/0!	(24,793)	(2,042,119)	-	(2,042,119)	#DIV/0!
9 Charity Care	-	7,748	8,914	(1,166)	-13.1%	89,563	84,761	100,148	(15,387)	-15.4%
10 Administrative	(111)	-	7,811	(7,811)	-100.0%	75,729	322,573	87,754	234,819	267.6%
11 Policy Discount	9,969	9,186	6,362	2,824	44.4%	77,714	122,119	71,478	50,641	70.8%
12 Employee Discount	5,880	3,358	3,462	(104)	-3.0%	40,774	66,388	38,890	27,498	70.7%
13 Bad Debts	(12,708)	299,027	162,016	137,011	84.6%	1,564,259	1,761,065	1,820,226	(59,161)	-3.3%
14 Denials	266,959	99,637	-	99,637	#DIV/0!	2,197,125	1,351,350	-	1,351,350	#DIV/0!
15 Total revenue deductions	2,367,036	344,925	2,228,396	(1,883,471)	-84.5%	24,593,509	25,271,184	25,035,685	235,499	0.9%
16 Net Patient Revenue	1,769,483	3,437,217	1,933,977	1,503,240	77.7%	20,666,645	23,301,402	21,727,918	1,573,484	7.2%
gross revenue including Prior Year	40.2%	40.2%		40.2%		40.2%	447.4%	447.4%	0.0%	
Contractual Allowances as a percent to										
gross revenue WO PY and Other CA	39.2%	39.2%		39.2%		39.2%	437.2%	437.2%	0.0%	
17 Other Revenue	27,638	35,409	51,981	(16,572)	-31.9%	299,070	338,293	569,406	(231,113)	-40.6%
18 Total Operating Revenue	1,797,121	3,472,626	1,985,958	1,486,668	74.9%	20,965,715	23,639,694	22,297,324	1,342,370	6.0%
Expenses										
19 Salaries	790,775	846,844	826,807	20,037	2.4%	8,424,751	8,964,454	8,922,337	42,117	0.5%
20 Employee Benefits	206,568	295,338	328,971	(33,633)	-10.2%	3,139,382	3,323,913	3,574,226	(250,313)	-7.0%
21 Registry	2,955	-	-	-	#DIV/0!	36,240	16,028	-	16,028	#DIV/0!
22 Salaries and Benefits	1,000,298	1,142,182	1,155,778	(13,596)	-1.2%	11,600,372	12,304,395	12,496,563	(192,168)	-1.5%
23 Professional fees	153,638	168,382	156,392	11,990	7.7%	1,634,696	1,850,447	1,754,003	96,444	5.5%
24 Supplies	113,462	137,008	127,376	9,632	7.6%	1,320,874	1,427,896	1,378,545	49,351	3.6%
25 Utilities	42,719	41,922	38,692	3,230	8.3%	490,018	455,233	489,721	(34,488)	-7.0%
26 Repairs and Maintenance	20,536	24,764	22,668	2,096	9.2%	283,053	305,366	248,730	56,636	22.8%
27 Purchased Services	370,698	386,930	296,132	90,798	30.7%	3,188,425	3,853,751	3,290,980	562,771	17.1%
28 Insurance	25,013	25,912	25,917	(5)	0.0%	275,340	285,790	285,087	703	0.2%
29 Depreciation	50,868	82,710	75,000	7,710	10.3%	533,382	796,745	825,000	(28,255)	-3.4%
30 Rental and Leases	38,734	15,621	16,297	(676)	-4.1%	236,989	247,994	179,267	68,727	38.3%
32 Dues and Subscriptions	4,974	5,999	5,046	953	18.9%	53,519	62,200	55,504	6,696	12.1%
33 Other Expense	34,825	60,371	52,720	7,651	14.5%	660,698	451,391	579,526	(128,135)	-22.1%
34 Total Expenses	1,855,765	2,091,802	1,972,018	119,784	6.1%	20,277,366	22,041,209	21,582,926	458,283	2.1%
35 Surplus (Loss) from Operations	(56,644)	1,380,824	13,940	1,366,884	-9805.5%	688,349	1,598,485	714,398	884,087	-123.8%
Non-Operating Income										
36 Tax Revenue	189,917	186,047	186,047	-	0.0%	2,089,087	2,046,517	2,046,517	-	0.0%
37 Other non-operating	5,286	7,753	3,283	4,470	136.1%	101,988	60,334	36,113	24,221	67.1%
Interest Income	510	516	4,167	(3,651)	-87.6%	44,124	116,174	45,837	70,337	153.4%
Interest Expense	(7,943)	(7,536)	(7,750)	214	-2.8%	(88,259)	(85,624)	(85,250)	(374)	0.4%
39 Total Non-operating	187,770	186,780	185,747	1,033	0.6%	2,146,940	2,137,400	2,043,217	94,183	4.6%
40 Surplus/(Loss)	129,126	1,567,604	199,687	1,367,917	-685.0%	2,835,289	3,735,885	3,770,615	(34,730)	-0.9%

**Bear Valley Community Healthcare District
Financial Statements**

Current Year Trending Statement of Operations

A Statement of Operations—CURRENT YEAR 2018

	1	2	3	4	5	6	7	8	9	10	11	12	
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD
Gross Patient Revenue													
1 Inpatient	95,787	98,514	150,843	142,719	77,702	202,529	368,022	205,698	153,559	151,595	147,294		1,794,263
2 Outpatient	868,939	1,205,964	1,063,953	1,047,978	997,359	857,747	1,077,117	960,070	973,262	967,226	856,463		10,876,078
3 Clinic	347,893	369,602	339,870	391,164	329,577	339,330	370,318	332,540	387,011	381,601	379,607		3,968,512
4 Emergency Room	2,985,253	2,686,283	2,407,574	2,203,306	2,221,976	3,207,446	3,260,191	2,822,859	2,856,980	2,338,042	2,142,156		29,132,065
5 Skilled Nursing Facility	261,793	265,487	262,653	261,572	265,920	259,078	248,635	228,695	248,065	243,147	256,622		2,801,668
6 Total patient revenue	4,559,665	4,625,850	4,224,893	4,046,739	3,892,534	4,866,130	5,324,283	4,549,861	4,618,877	4,081,611	3,782,142	-	48,572,586
Revenue Deductions													
C/A	0.55	0.47	0.47	0.47	0.44	0.53	0.46	0.58	0.48	0.42	0.45	#DIV/0!	0.49
7 Contractual Allow	2,548,409	2,192,333	1,994,911	1,909,156	1,696,412	2,569,127	2,429,042	2,617,795	2,213,838	1,718,143	1,715,880		23,605,048
8 Contractual Allow PY	-	463	1,249	(1,739)	-	-	(3)	(132,608)	(81,875)	(37,694)	(1,789,912)		(2,042,119)
9 Charity Care	7,675	12,842	-	-	9,999	1,812	7,644	7,866	20,144	9,031	7,748		84,761
10 Administrative	(746)	114,668	169,442	10,431	2,860	989	1,974	10,254	5,551	7,151	-		322,573
11 Policy Discount	11,532	11,940	7,202	10,680	10,915	9,781	13,595	12,725	13,413	11,150	9,186		122,119
12 Employee Discount	4,711	9,099	3,938	4,084	4,131	4,202	6,231	10,571	10,324	5,739	3,358		66,388
13 Bad Debts	(59,348)	69,295	45,428	236,304	205,433	130,228	201,297	96,436	262,428	274,537	299,027		1,761,065
14 Denials	307,852	190,797	(129,516)	169,768	162,874	89,070	93,291	177,257	122,427	67,892	99,637		1,351,350
15 Total revenue deductions	2,820,085	2,801,437	2,092,654	2,338,883	2,092,624	2,805,209	2,753,071	2,800,296	2,566,251	2,055,950	344,925	-	25,271,184
16 Net Patient Revenue	1,738,580	2,024,413	2,132,239	1,708,056	1,799,911	2,060,921	2,571,212	1,749,565	2,052,626	2,025,661	3,437,217	-	23,301,402
net / tot pat rev	38.2%	43.8%	50.5%	42.2%	46.2%	42.4%	48.3%	38.5%	44.4%	49.6%	90.9%	#DIV/0!	48.0%
Other Revenue	7,162	35,245	20,043	45,312	35,896	16,992	35,338	72,429	25,710	8,758	35,409		338,293
Total Operating Revenue	1,746,742	2,059,658	2,152,282	1,753,369	1,835,807	2,077,912	2,606,549	1,821,994	2,078,337	2,034,419	3,472,626	-	23,639,694
Expenses													
19 Salaries	800,028	842,003	802,366	798,066	721,536	884,119	849,855	786,053	837,872	795,713	846,844		8,964,454
20 Employee Benefits	289,721	318,469	300,954	292,526	296,309	316,321	315,442	285,480	319,765	296,588	295,338		3,323,913
21 Registry	12,718	-	-	-	-	-	3,310	-	-	-	-		16,028
22 Salaries and Benefits	1,099,467	1,160,472	1,103,320	1,090,592	1,017,845	1,203,749	1,165,297	1,071,533	1,157,637	1,092,301	1,142,182	-	12,304,395
23 Professional fees	163,392	159,814	149,841	191,107	168,319	157,808	173,264	169,956	179,324	169,338	168,382		1,850,447
24 Supplies	130,715	136,046	101,350	139,091	134,839	107,112	172,497	150,603	130,192	88,343	137,008		1,427,886
25 Utilities	42,342	42,209	43,009	40,689	40,990	39,889	41,326	42,100	39,834	40,945	41,922		455,233
26 Repairs and Maintenance	22,461	19,239	35,825	30,007	38,216	28,409	32,513	27,659	23,136	23,136	24,764		305,366
27 Purchased Services	302,014	346,148	281,012	373,876	381,162	395,485	308,903	329,029	342,334	406,858	386,930		3,853,751
28 Insurance	25,762	25,762	25,762	25,835	25,762	27,345	25,912	25,912	25,912	25,912	25,912		285,790
29 Depreciation	48,568	49,162	58,815	61,486	82,456	82,710	82,710	82,710	82,710	82,710	82,710		796,745
30 Rental and Leases	46,445	39,979	35,360	23,454	15,317	16,214	14,242	14,670	10,495	16,197	15,621		247,994
32 Dues and Subscriptions	5,518	5,427	5,725	5,181	4,523	5,207	2,710	1,944	12,026	7,941	5,999		62,200
33 Other Expense	36,147	35,255	43,441	47,022	39,491	38,655	39,225	33,265	36,519	42,000	60,371		451,391
34 Total Expenses	1,922,831	2,019,314	1,883,559	2,028,341	1,949,020	2,102,562	2,058,598	1,949,382	2,040,119	1,995,680	2,091,802	-	22,041,209
Surplus (Loss) from Operations	(176,089)	40,344	268,723	(274,973)	(113,213)	(24,650)	547,951	(127,388)	38,218	38,738	1,380,824	-	1,598,485
Non-Operating Income													
36 Tax Revenue	186,047	186,047	186,047	186,047	186,047	186,047	186,047	186,047	186,047	186,047	186,047		2,046,517
37 Other non-operating	10,247	(130)	(130)	130	20,000	-	12,000	10,000	334	-	7,753		60,334
Interest Income	1,906	626	30,375	693	965	31,840	1,071	591	46,706	884	516		116,174
Interest Expense	(7,717)	(7,902)	(8,002)	(7,752)	(7,763)	(8,047)	(7,830)	(7,737)	(7,681)	(7,536)	(7,536)		(85,624)
39 Total Non-operating	180,236	189,018	208,290	179,118	199,249	209,840	191,288	188,902	225,405	179,273	186,780	-	2,137,400
40 Surplus/(Loss)	4,147	229,362	477,013	(95,854)	86,036	185,190	739,240	61,513	263,623	218,011	1,567,604	-	3,735,885

Input Trend Stmt Ops

2017-18 Actual BS

BALANCE SHEET
(Reflects 6/30/17 Y/E audit adjustments)

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	PY BS June
ASSETS:												
Current Assets												
Cash and Cash Equivalents (includes CD's)	2,926,360	2,290,992	1,483,027	2,187,881	3,733,239	3,884,817	2,490,708	2,353,707	2,044,038	3,771,817	4,630,363	2,858,405
Gross Patient Accounts Receivable	10,084,033	10,529,969	9,819,853	9,516,577	8,883,930	9,771,838	10,764,545	11,059,822	10,231,024	10,281,906	9,607,258	10,749,524
Less: Reserves for Allowances & Bad Debt	6,481,129	6,632,089	5,818,066	5,954,203	5,590,675	6,111,008	6,570,468	6,769,875	6,318,873	6,341,615	5,965,786	6,824,943
Net Patient Accounts Receivable	3,502,904	3,897,880	4,001,787	3,562,374	3,293,255	3,660,830	4,194,077	4,289,947	3,912,152	3,940,291	3,641,472	3,924,581
Tax Revenue Receivable	2,232,569	2,232,569	2,232,569	2,232,569	1,944,288	970,958	827,168	800,445	768,696	32,882	-57,703	56,787
Other Receivables	88,537	55,474	750,144	324,224	-1,218,923	-1,160,647	-1,793,802	-1,735,250	-1,036,263	-973,905	-310,265	107,830
Inventories	217,948	220,580	221,025	226,011	222,712	222,388	229,341	236,269	234,002	234,041	230,426	212,805
Prepaid Expenses	330,877	339,259	336,340	352,943	342,699	313,470	295,570	279,301	250,181	260,592	233,374	192,216
Due From Third Party Payers	0	0	0	0	0	0	0	0	0	0	0	0
Due From Affiliates/Related Organizations	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Assets	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	9,399,195	9,036,754	9,024,893	8,886,002	8,317,270	7,891,816	6,243,062	6,224,418	6,172,806	7,265,719	8,367,666	7,352,624
Assets Whose Use is Limited												
Investments	10,894,184	10,894,184	10,921,640	10,921,640	10,921,640	10,952,520	13,452,520	13,452,520	13,497,614	13,497,614	13,497,614	10,894,184
Other Limited Use Assets	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375
Total Limited Use Assets	11,038,559	11,038,559	11,066,015	11,066,015	11,066,015	11,096,895	13,596,895	13,596,895	13,641,989	13,641,989	13,641,989	11,038,559
Property, Plant, and Equipment												
Land and Land Improvements	547,472	570,615	570,615	570,615	570,615	570,615	570,615	570,615	570,615	570,615	570,615	547,472
Building and Building Improvements	9,657,088	9,659,388	9,666,383	9,696,603	9,699,157	9,699,804	9,737,717	9,752,367	9,752,367	9,752,367	9,757,277	9,657,088
Equipment	9,625,066	9,694,652	10,189,492	10,232,207	11,486,278	11,504,275	11,516,840	11,661,203	11,704,839	11,704,839	11,711,469	9,614,476
Construction In Progress	1,058,659	1,101,848	753,103	1,356,225	146,485	146,485	146,485	16,365	16,365	19,206	35,594	532,158
Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0
Gross Property, Plant, and Equipment	20,888,285	21,026,502	21,199,592	21,855,650	21,902,534	21,921,179	21,971,657	22,000,549	22,044,186	22,047,027	22,074,955	20,351,194
Less: Accumulated Depreciation	12,764,979	12,814,141	12,872,956	12,934,442	13,016,899	13,099,608	13,182,318	13,265,028	13,347,737	13,430,447	13,513,156	12,716,411
Net Property, Plant, and Equipment	8,123,306	8,212,362	8,326,636	8,921,208	8,885,636	8,821,571	8,789,339	8,735,522	8,696,449	8,616,580	8,561,798	7,634,783
TOTAL UNRESTRICTED ASSETS	28,561,060	28,287,674	28,417,544	28,873,224	28,268,920	27,810,282	28,629,297	28,556,836	28,511,243	29,524,287	30,571,453	26,025,966
Restricted Assets												
TOTAL ASSETS	28,561,060	28,287,674	28,417,544	28,873,224	28,268,920	27,810,282	28,629,297	28,556,836	28,511,243	29,524,287	30,571,453	26,025,966

2017-18 Actual BS

BALANCE SHEET

(Reflects 6/30/17 Y/E audit adjustments)

LIABILITIES:

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	PY BS June
Current Liabilities												
Accounts Payable	1,382,046	985,885	792,559	1,431,694	876,176	956,102	943,576	973,763	711,190	833,399	816,207	1,055,031
Notes and Loans Payable												
Accrued Payroll	775,117	846,351	884,291	975,116	996,448	697,894	802,910	817,096	891,764	940,378	992,846	684,799
Patient Refunds Payable												
Due to Third Party Payers (Settlements)	709,007	709,470	695,980	695,980	718,109	552,505	718,109	718,109	775,164	1,577,778	1,200,581	649,537
Advances From Third Party Payers												
Current Portion of Def Rev - Txs,	2,046,518	1,860,471	1,674,424	1,488,377	1,302,330	1,151,283	965,236	779,189	593,142	407,095	221,048	-4
Current Portion - LT Debt	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Current Portion of AB915												
Other Current Liabilities (Accrued Interest & Accrued Other)	15,243	23,005	30,785	38,407	46,169	7,621	15,350	23,049	30,731	38,373	45,903	7,621
Total Current Liabilities	4,962,931	4,460,183	4,113,039	4,664,574	3,974,233	3,400,405	3,480,181	3,346,206	3,036,991	3,832,023	3,311,585	2,431,984
Long Term Debt												
USDA Loan	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,895,000	2,895,000	2,895,000	2,895,000	2,895,000	2,895,000	2,965,000
Leases Payable	0	0	0	0	0	0	0	0	0	0	0	0
Less: Current Portion Of Long Term Debt	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Total Long Term Debt (Net of Current)	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000	2,930,000
Other Long Term Liabilities												
Deferred Revenue	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Long Term Liabilities	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	7,892,931	7,390,183	7,043,039	7,594,574	6,904,233	6,260,405	6,340,181	6,206,206	5,896,991	6,692,023	6,171,585	5,361,984
Fund Balance												
Unrestricted Fund Balance	20,663,982	20,663,983	20,663,982	20,663,982	20,663,982	20,663,982	20,663,982	20,663,982	20,663,982	20,663,982	20,663,982	16,251,126
Temporarily Restricted Fund Balance	0	0	0	0	0	0	0	0	0	0	0	0
Equity Transfer from FRHG	0	0	0	0	0	0	0	0	0	0	0	0
Net Revenue/(Expenses)	4,147	233,510	710,523	614,668	700,705	885,895	1,625,134	1,686,648	1,950,271	2,168,282	3,735,886	4,412,856
TOTAL FUND BALANCE	20,668,129	20,897,491	21,374,505	21,278,650	21,364,687	21,549,877	22,289,116	22,350,630	22,614,253	22,832,264	24,399,868	20,663,982
TOTAL LIABILITIES & FUND BALANCE	28,561,060	28,287,674	28,417,544	28,873,224	28,268,920	27,810,282	28,629,297	28,556,836	28,511,243	29,524,287	30,571,453	26,025,966

Units of Service
For the period ending: May 31, 2018

31		Current Month					335		Year-To-Date				
Bear Valley Community Hospital													
May-18		May-17	Actual -Budget		Act.-Act.		May-18		May-17	Actual -Budget		Act.-Act.	
Actual	Budget	Actual	Variance	Var %	Var %		Actual	Budget	Actual	Variance	Var %	Var %	
20	43	33	(23)	-53.7%	-39.4%	Med Surg Patient Days	331	422	390	(91)	-21.6%	-15.1%	
17	47	-	(30)	-63.7%	#DIV/0!	Swing Patient Days	200	459	434	(259)	-56.4%	-53.9%	
571	534	589	37	6.9%	-3.1%	SNF Patient Days	6,285	5,696	6,104	589	10.3%	3.0%	
608	624	622	(16)	-2.6%	-2.3%	Total Patient Days	6,816	6,577	6,928	239	3.6%	-1.6%	
6	15	9	(9)	-60.0%	-33.3%	Acute Admissions	136	165	148	(29)	-17.6%	-8.1%	
7	15	9	(8)	-53.3%	-22.2%	Acute Discharges	139	165	155	(26)	-15.8%	-10.3%	
2.9	-	3.7	2.9	#DIV/0!	-22.1%	Acute Average Length of Stay	2.4	-	2.5	2.4	#DIV/0!	-5.4%	
0.6	1.4	1.1	(0.7)	-53.7%	-39.4%	Acute Average Daily Census	1.0	1	1.2	(0.3)	-21.6%	-15.1%	
19.0	18.7	19.0	0.2	1.2%	-0.2%	SNF/Swing Avg Daily Census	19.4	18	19.5	1.0	5.4%	-0.8%	
19.6	20.1	20.1	(0.5)	-2.6%	-2.3%	Total Avg. Daily Census	20.3	20	20.7	0.7	3.6%	-1.6%	
44%	45%	45%	-1%	-2.6%	-2.3%	% Occupancy	45%	44%	46%	2%	3.6%	-1.6%	
6	15	9	(9)	-60.0%	-33.3%	Emergency Room Admitted	123	165	131	(42)	-25.5%	-6.1%	
818	1,000	877	(182)	-18.2%	-6.7%	Emergency Room Discharged	10,424	11,000	10,264	(576)	-5.2%	1.6%	
824	825	886	(1)	-0.1%	-7.0%	Emergency Room Total	10,547	10,131	10,395	416	4.1%	1.5%	
27	27	29	(0)	-0.1%	-7.0%	ER visits per calendar day	31	30	31	1	4.1%	1.5%	
100%	100%	100%	100%	100.0%	0.0%	% Admits from ER	90%	100%	89%	69%	69.0%	2.2%	
-	-	-	-	0.0%	#DIV/0!	Surgical Procedures I/P	2	-	-	2	0.0%	#DIV/0!	
-	19	18	(19)	-100.0%	-100.0%	Surgical Procedures O/P	123	221	85	(98)	-44.3%	44.7%	
-	19	18	(19)	-100.0%	-100.0%	TOTAL Procedures	125	221	85	(96)	-43.4%	47.1%	
-	295	1,114	(295)	-100.0%	-100.0%	Surgical Minutes Total	8,713	3,190	5,554	5,523	173.1%	56.9%	

Units of Service
For the period ending: May 31, 2018

Current Month						Bear Valley Community Hospital	Year-To-Date					
May-18 Actual	Budget	May-17 Actual	Actual -Budget Variance	-Budget Var %	Act.-Act. Var %		May-18 Actual	Budget	May-17 Actual	Actual -Budget Variance	-Budget Var %	Act.-Act. Var %
6,078	6,513	6,144	(435)	-6.7%	-1.1%	Lab Procedures	67,932	64,157	66,234	3,775	5.9%	2.6%
795	718	807	77	10.7%	-1.5%	X-Ray Procedures	8,825	8,331	9,183	494	5.9%	-3.9%
205	222	218	(17)	-7.7%	-6.0%	C.T. Scan Procedures	2,908	2,842	2,844	66	2.3%	2.3%
218	236	225	(18)	-7.6%	-3.1%	Ultrasound Procedures	2,592	2,214	2,270	378	17.1%	14.2%
52	50	-	2	0.0%	#DIV/0!	Mammography Procedures	697	550	414	147	26.7%	68.4%
250	285	278	(35)	-12.3%	-10.1%	EKG Procedures	3,390	2,814	3,048	576	20.5%	11.2%
106	106	127	-	0.0%	-16.5%	Respiratory Procedures	1,548	1,160	1,411	388	33.4%	9.7%
1,351	1,690	1,290	(339)	-20.1%	4.7%	Physical Therapy Procedures	15,220	17,473	17,744	(2,253)	-12.9%	-14.2%
1,719	1,943	1,751	(224)	-11.5%	-1.8%	Primary Care Clinic Visits	19,364	17,875	17,310	1,489	8.3%	11.9%
298	200	317	98	49.0%	-6.0%	Specialty Clinic Visits	2,423	2,200	1,090	223	10.1%	122.3%
2,017	2,143	2,068	(126)	-5.9%	-2.5%	Clinic	21,787	20,075	18,400	1,712	8.5%	18.4%
78	82	80	(5)	-5.9%	-2.5%	Clinic visits per work day	120	110	101	9	8.5%	18.4%
22.5%	20.00%	19.80%	2.50%	12.50%	13.64%	% Medicare Revenue	19.32%	20.00%	20.18%	-0.68%	-3.41%	-4.28%
41.10%	37.00%	42.00%	4.10%	11.08%	-2.14%	% Medi-Cal Revenue	39.51%	37.00%	38.95%	2.51%	6.78%	1.42%
32.00%	38.00%	33.10%	-6.00%	-15.79%	-3.32%	% Insurance Revenue	36.39%	38.00%	36.37%	-1.61%	-4.23%	0.05%
4.40%	5.00%	5.10%	-0.60%	-12.00%	-13.73%	% Self-Pay Revenue	4.78%	5.00%	4.49%	-0.22%	-4.36%	6.48%
142.8	155.00	143.0	(12.2)	-7.8%	-0.1%	Productive FTE's	145.00	152.27	143.6	(7.3)	-4.8%	1.0%
164.2	174.00	160.4	(9.8)	-5.6%	2.4%	Total FTE's	165.13	170.73	161.6	(5.6)	-3.3%	2.2%



CFO REPORT for

July 2018 Finance and Board meetings

Healthcare Reform / Healthcare Legislation

The Governor has signed the \$201 billion State annual budget. Medi-Cal spending in the budget is \$104 billion, approximately \$7 billion more than last year. CHA reports that the Administration's proposal to eliminate the 340B drug discount program in Medi-Cal was rejected by the Legislature and, therefore, (elimination) is not included in the budget.

QHR FOR (Financial Operations Review)

Each year QHR conducts a Financial Operations Review or FOR. This is a tool used to assess key risk areas for managed hospitals. Attached is the Management Action Plan MAP from the FOR conducted in the spring of this year.



**Bear Valley Community Hospital
Financial Operational Review
April 11th, 2018**

Category	Recommendation	Status/Action Plan	Completion Status
Physician Arrangements	A "Stark Log" needs to be created to track all non-monetary compensation to physicians (gifts, etc.)	Create log and begin to track	ongoing
Patient Financial Services Operations	Credit balances totaling \$437,875 as of 1/31/18 noted on hospital A/R aging reports. Some of the balances are greater than one year old and may be the result of posting discrepancies. Recommend hospital research and correct/refund as appropriate	Have begun review of oldest and "conversion" accounts. Will review with external auditor	